

## **OCTOBER 2004 HIGHLIGHTS**

For the eighth straight month, construction activity broke \$1 billion. The estimated cost of all authorized work in October was \$1.277 billion. Residential construction made up \$744.5 million, 58.3 percent of all total construction. Office, retail, and other nonresidential buildings accounted for \$532.5 million; 535 municipalities reported.

### **Top Localities**

A robust housing market remained the dominant force behind the strength of the construction industry. New Jersey municipalities issued building permits for 3,364 new houses, breaking the 3,000 mark for the seventh time this year. In the top three localities for October, residential construction accounted for most of the work reported.

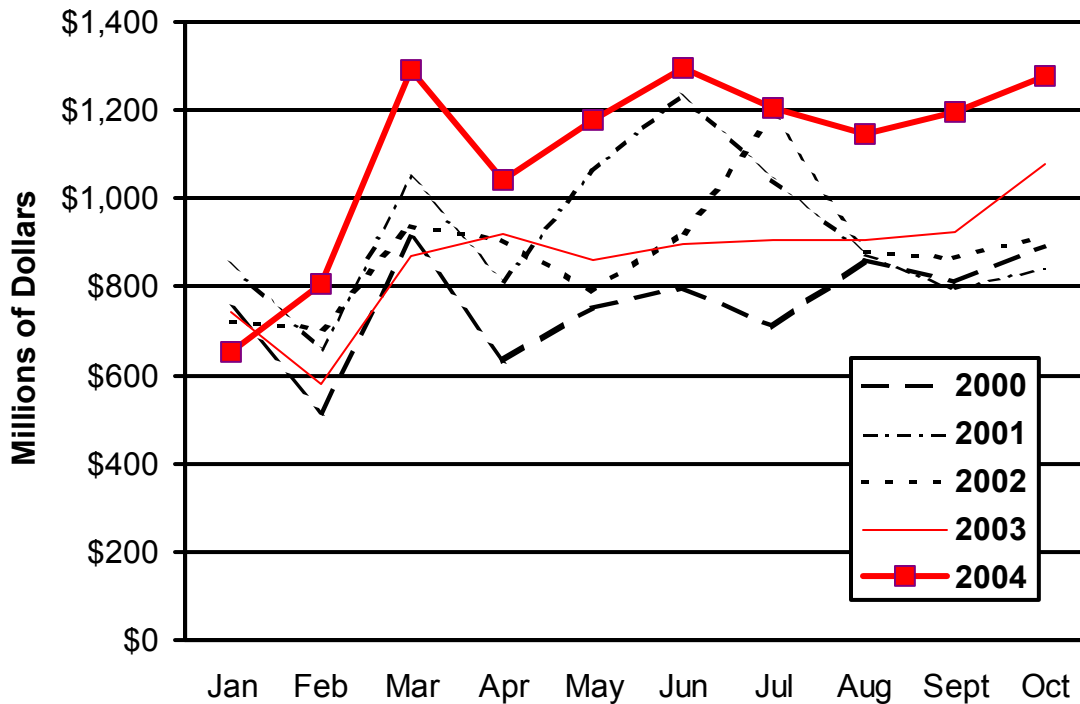
The City of Hoboken in Hudson County led all municipalities with \$51.2 million of construction for the month. Two new apartment buildings had an estimated construction cost of over \$35 million. Both are 12-story towers; one with 135 dwellings and a construction cost of \$21.6 million, and the other with 127 units and an estimated cost of \$14.2 million. Hoboken's construction office issued building permits for 394 new houses in October, more than any other locality.

Housing also played an important role in Monroe Township (Middlesex County) and Franklin Township (Somerset County). Monroe had \$40.2 million of construction in October; residential work accounted for \$38.4 million. Of the \$26.9 million in construction reported in Franklin, \$19.5 million was to build new houses or renovate existing ones. This Township ranked third among municipalities with 151 new houses for the month. Between January and October, the Township of Franklin's construction office has issued building permits for 1,059 new houses, ranking third behind Jersey City (Hudson County) with 1,846 authorized dwellings and Newark (Essex County) with 1,194 new houses for the year to date.

### **Year to Date**

Construction activity for the year is on pace to break the record set last year. Between January and October 2004, the estimated cost of construction authorized by building permits was \$11.5 billion. This is \$1.8 billion more than this time last year, an increase of 18.5 percent. The number of new houses is up. Authorized dwellings through October 2004 reached 32,344 units, 11.6 percent more than last year. For most of the year, the monthly level of construction was consistently above levels in previous years.

### Estimated Cost of Construction



The Department of Community Affairs has published construction statistics since January 1996. If the dollar amount of these monthly totals is ranked in descending order, seven of the top ten months over this period of nearly nine years are in the year 2004. A similar trend holds true for housing. Over the same 100 months, six of the top months for new house production were in 2004. By these accounts, 2004 looks like a very good year for New Jersey's construction industry due in large measure to a strong housing industry.

<b>Monthly Rankings: Dollar Amount of Residential and Nonresidential Construction</b>		
<b>Rank</b>	<b>Month/Year</b>	<b>Estimated Cost of Construction Authorized by Building Permits (\$ in billions)</b>
1	<b>June 2004</b>	1.294
2	<b>March 2004</b>	1.290
3	<b>October 2004</b>	1.277
4	June 2001	1.238
5	<b>July 2004</b>	1.203
6	<b>September 2004</b>	1.194
7	July 2002	1.181
8	<b>May 2004</b>	1.177
9	<b>August 2004</b>	1.146
10	October 2003	1.079

<b>Monthly Rankings: New Housing Units</b>		
<b>Rank</b>	<b>Month/Year</b>	<b>Housing Units Authorized by Building Permits</b>
1	<b>June 2004</b>	3,722
2	<b>August 2004</b>	3,591
3	<b>March 2004</b>	3,407
4	<b>October 2004</b>	3,364
5	<b>July 2004</b>	3,351
6	June 2001	3,339
7	<b>September 2004</b>	3,331
8	January 2000	3,289
9	December 1998	3,278
10	October 1998	3,187